

The Joint Legislative Oversight Committee
on
Mental Health, Developmental Disabilities, and Substance Abuse Services.

2007 Capsule Summary of Substantive Legislation

*Prepared by
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North Carolina General Assembly*

BILL**SUMMARY****House Bill 973***Mental Health Equitable Coverage***S.L. 2007-268**

The act requires insurers that provide group health benefit plans to provide benefits for all mental illnesses that are, "...no less favorable than benefits for physical illness generally."

The act limits (deductibles, co-payments, annual and lifetime dollar limits, etc.) imposed on mental health benefits must be identical to those applied to physical illnesses, except that mental illnesses not among a group of nine 'serious mental illnesses' specified in the bill could differ in duration of the benefits provided. For these 'other mental illnesses', insurers must provide coverage for at least 30 combined inpatient and outpatient days, and 30 office visits per year.

The following are the nine mental illnesses for which the act requires full parity – no limits on benefits, including durational limits, may differ from those limits applicable to that plan's coverage of physical illness or injury:

- Bipolar disorder
- Major depressive disorder
- Obsessive compulsive disorder
- Paranoid and other psychotic disorder
- Schizoaffective disorder
- Schizophrenia
- Post-traumatic stress disorder
- Anorexia nervosa
- Bulimia

The act also amends several Articles of Chapter 58 governing non-discrimination against mentally ill individuals and specifically excludes the act's provisions certain limited diagnoses or treatments relating to sexual dysfunctions not due to organic disease and "...treatment or studies leading to or in connection with sex changes or modifications..."

The act becomes effective July 1, 2008 and applies to health benefit plans that are delivered, issued for delivery, or renewed on or after that date.

House Bill 628*Uniform Graduated Co-payment for MH/DD/SAS***S.L. 2007-410**

The act directs the Secretary of Health and Human Services to adopt rules for implementing a co-payment graduated schedule to be used by local management entity (LME) and contractual provider agencies.

The act requires the schedule to be developed to require a co-payment for services identified by the Secretary and provides that families with an income 300% or greater of the family poverty level are eligible for services with the co-payment.

The act directs the Secretary to identify all services that are funded by or through the Department's budget that do not have income-base criteria for eligibility and to develop and submit to the General Assembly by November 1, 2007, a proposal for implementing this type of criteria for the identified programs.

Effective July 1, 2007, act clarifies/provides that the LME is responsible for determining the applicability of the co-payment for individuals that have been authorized by the LME to receive services and requires funds collected from co-payments for LME services are to be used to provide services to individuals in targeted populations.

Except as noted otherwise, this act became effective August 21, 2007.

BILL**SUMMARY****House Bill 626**

LME Functions and Admin. / Extend First Commitment Pilot

S.L. 2007-504

(This summary reflects the changes to the bill as enacted in SB 613- "The 2007 Technical Corrections Act" S.L. 2007-484)

The act makes a number of changes to the laws related to State and local public agencies that manage mental health, developmental disabilities, and substance abuse services (LMEs). These changes include:

- Extending to an additional five LMEs for three more years (for a total of 10 LMEs) the "First Commitment Pilot Program" that allows certain Master's level professionals to conduct the initial examination of a person to determine whether the person is a threat to themselves or others.
- Clarifying that LME administrative functions may only be implemented by a LME unless the LME contracts with a third party.
- Effective July 1, 2007, holding harmless for one year a LME that falls below the catchment area requirements (6 counties or a population of at least 200,000) due to a loss of counties participating in the LME.
- Allowing a LME with eight or more counties to have a governing board of up to 30 members.
- Prohibiting an individual who contracts with a LME for the delivery of services from being a board member during the term of the contract.
- Requiring the Secretary of the Department of Health and Human Services (DHHS) to develop a model LME business plan.
- Directing the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services (Commission) to adopt rules related to the uniform portal process, the monitoring and endorsement of providers, and the provision of technical assistance by LMEs to providers.
- Requiring that any waiver issued by the Secretary allowing a LME to provide services shall be for at least 1 year, unless the LME requests a shorter waiver.
- Adding two attorneys to the appointments by the General Assembly to the Commission.

The act directs the Joint Legislative Oversight Committee for Mental Health, Developmental Disabilities, and Substance Abuse Services (LOC) to study whether the rule making authority for the Secretary and the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services (Commission) should be modified to eliminate any duplication, conflict, or lack of clarity.

The provisions related to the Secretary developing a model business plan and the Commission adopting rules become effective October 1, 2007. The provisions clarifying LME administrative functions become effective July 1, 2007. The remainder of the act became effective August 30, 2007.

BILL**House Bill 625***Rename MH/DD/SAS Facilities***S.L. 2007-177****SUMMARY**

The act reorganizes G.S. 121C-181(a) to rename the following State facilities that the Secretary of Health and Human Services has jurisdiction over as follows:

<p><i>Psychiatric Hospitals</i></p> <ul style="list-style-type: none">• Cherry Hospital• Dorthea Dix Hospital*• John Umstead Hospital*• Broughton Hospital <p><i>Developmental Centers</i></p> <ul style="list-style-type: none">• Caswell Developmental Center• J. Iverson Riddle Developmental Center• Murdoch Center <p><i>Alcohol and Drug Treatment Centers</i></p> <ul style="list-style-type: none">• Walter B. Jones Alcohol and Drug Abuse Treatment Center• Julian F. Keith Alcohol and Drug Abuse Treatment Center• R.J. Blackley Alcohol and Drug Abuse Treatment Center <p><i>Neuro-Medical Treatment Center</i></p> <ul style="list-style-type: none">• Black Mountain Neuro-Medical Treatment Center• O'Berry Neuro-Medical Treatment Center• Longleaf Neuro-Medical Treatment Center <p><i>Residential Programs for Children</i></p> <ul style="list-style-type: none">• Whitaker School• Wright School	<p>The act provides Central Regional Hospital will be added under Psychiatric Hospitals and both Dorthea Dix Hospital and John Umstead Hospital will be removed when Dorthea Dix Hospital is closed and is no longer serving psychiatric patients.</p> <p>This act became effective July 5, 2007.</p>	<p>The act makes a number of changes relating to the laws regulating the licenses of hospitals, adult care homes, and persons employed in mental health facilities or as medication aides. Specifically, Section 3 of the act amends G.S. 122C-80 to allow private entities to conduct the required State criminal history check for potential employees of licensed mental health facilities.</p> <p>This act became effective August 23, 2007.</p>
<p>House Bill 772</p> <p><i>Mental Health Facility Licensure Changes</i></p> S.L. 2007-444		

BILL**Senate Bill 164***Study issues relating to Adult Care Home Residents with Mental Illness***S.L. 2007-156****SUMMARY**

The act requires the following studies by the Department of Health and Human Services related to the care of mentally ill residents in adult care homes:

- The Department of Health and Human Services, Division of Health Service Regulation; Division of Aging and Adult Services; and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services; is required to study rules and regulations in North Carolina and other states regarding the provision of appropriate care and housing of individuals with mental illness in the same facility vicinity with individuals without mental illness and to make recommendations relating to the housing of these individuals.
- The Department of Health and Human Services, Division of Health Service Regulation; Division of Aging and Adult Services; and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services; is required to study the need for training direct care workers in adult care homes to provide appropriate care to facility residents with mental illness and facility residents without mental illness and to make recommendations for appropriate training of these workers. The study must address the fiscal impact that the implementation of training requirements would have on these facilities and the amount of funding needed to support a successful training model.

In response to these studies, the Department is required to present findings and recommendations on or before March 1, 2008, along with any required statutory or rule changes, to the North Carolina Study Commission on Aging and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services.

This act became effective June 29, 2007.

House Bill 1473*The Appropriations Act***S.L. 2007-323****Increase Availability of Substance Abuse Treatment and Crisis Services**

The act amends G.S. 122C-147.1 which governs how local public agencies that manage mental health, developmental disabilities, and substance abuse services (LMEs) can draw down funds from the State. The general law requires that services be billed on a "fee for service" basis. With regard to substance abuse and crisis services, this provision allows a LME to choose whether to receive a pro rata portion (grant) of its annual budget for those services, bill on a fee for service basis, or some combination of the two. The LME must be able to account for how funds are spent if the LME chooses to receive some or all of the funds in a grant form.

Clarify Certain Functions of Local Management Entities (LMEs)

The act specifies the particular activities that a local management entity (LME) is responsible for carrying out with regard to care coordination. Care coordination is described as involving individual client care decisions at critical treatment junctures. It must be provided by clinically trained professionals with the authority and skills necessary to determine appropriate diagnosis and treatment, approve treatment and service plans, link clients with other resources, and facilitate resolution of conflicts between providers and clients.

House Bill 1473***The Appropriations Act*****S.L. 2007-323****Allocation of Crisis Services Funds**

The act provides that funds that are available for crisis services do not have to be allocated according to the broad disability categories of mental illness, developmental disabilities and substance abuse services, or between adult and child/adolescent age groupings.

Rewards to the Mental Health Trust Fund

The act makes revisions to how the funds in the Trust Fund for Mental Health, Developmental Disabilities, and Substance Abuse Services and Bridge Funding may be spent. The changes delete the use of these funds to develop discharge plans pursuant to a Supreme Court decision of Olmstead v. L.C. and E.W. Those discharge plans have been developed. It also deletes the use of the funds to construct, repair or renovate State operated facilities. The funds must now be allocated to area programs, and the Department of Health and Human Services (DHHS) must report annually to the Fiscal Research Division on how the funds are spent.

Substance Abuse Services in North Carolina Task Force

The Act directs the North Carolina Institute of Medicine (IOM) to convene a task force to study substance abuse services in North Carolina. The Task Force shall:

- Identify the continuum of services needed for treatment of substance abuse services, including, but not limited to, prevention, outpatient services, residential treatment, and recovery supports.
- Identify evidence-based models of care or promising practices in coordination with the NC Practice Improvement Collaborative for the prevention and treatment of substance abuse and develop recommendations to incorporate these models into the current substance abuse service system of care.
- Examine different financing options to pay for substance abuse services at the local, regional, and State levels.
- Examine the adequacy of the current and future substance abuse workforce, including, but not limited to, credentialed substance abuse counselors, availability of substance abuse workers throughout the State, and reimbursement levels.
- Develop strategies to identify people in need of substance abuse services, including people who are dually diagnosed as having mental health and substance abuse problems.
- Examine barriers that people with substance abuse problems have in accessing publicly funded substance abuse services and explore possible strategies for improving access.
- Examine current outcome measures and identify other appropriate outcome measures to assess the effectiveness of substance abuse services, if necessary.
- Examine the economic impact of substance abuse in North Carolina. If data are available, the Task Force shall estimate the impact of substance abuse on the court system, health care system, social services, and worker productivity.

The act requires the Task Force to submit an interim report upon the convening of the 2008 General Assembly and a final report not later than the convening of the 2009 General Assembly.